

Amendment to Enhance Strategic Economic and Community Development

Purpose:

To provide the USDA-Rural Development with the flexibility necessary to support and finance locally-identified economic development priorities.

What This Amendment Does

This amendment will facilitate funding for projects that are part of a strategic economic and community development strategy by enabling USDA-RD to reserve through June 30th of each fiscal year up to 20% of funds for programs of a similar nature (in the legislative text this is written using the term “functional area”) for projects of this type. To ensure ample funding is available for standard programming, no more than 15% of total RD funds for the programs listed can be reserved through June 30th and used in this manner. *All* projects will be subject to existing eligibility requirements for the individual programs. As of July 1st, any unused funds will be released. This is a no cost amendment.

Policy Background:

In recent years, rural communities have been losing population, have a growing income disparity with urban communities and have an aging workforce. At the same time, many rural places see historic economic opportunities in sectors such as energy, manufacturing, rural recreation and food systems. Studies have shown that roughly two thirds of a nation’s economic growth is driven by the economies of rural and lagging regions around the country---small and mid-sized communities that make up a large portion of the overall population and much of the nation’s economic activity. Supporting robust economic growth in these regions is an important part of a successful national growth strategy—and strategic investments are essential for positive results.

To most effectively support these rural communities, the federal government needs to be flexible and respond to local efforts to implement strategic, multi-jurisdictional economic development strategies. To better reflect rural communities’ inherently more comprehensive and multi-jurisdictional approach to community development, USDA-Rural Development needs to move away from a silo-ed, top-down approach. To better reflect rural communities’ more comprehensive, strategic approach to rural development. Individual communities are often affected by linkages to the other communities within regions and that working together can produce more prosperity for all. By creating a regional focus and increasing collaboration across Rural Development agencies and programs, USDA resources can have a larger impact, enabling greater wealth creation, quality of life improvements, and sustainability.

Legislative & Appropriations Background:

In recent years, annual appropriations bills have provided USDA the authority to reserve, reprogram, and redirect funds up to 5% of funds from a handful of programs for the purposes of financing and supporting strategic regional development work. But, there is a catch. The language in the appropriations includes the phrase “Subject to authorizing legislation by the [House and Senate Agriculture Committees].” The proposed amendment would demonstrate the authorizing Committee’s desire to see USDA put more emphasis on multi-jurisdictional and strategic economic and community development.